

**PART 194—INTERNATIONAL CO-
PRODUCTION PROJECTS AND
AGREEMENTS BETWEEN THE
UNITED STATES AND OTHER
COUNTRIES OR INTERNATIONAL
ORGANIZATIONS**

Sec.

- 194.1 Purpose.
- 194.2 Applicability and scope.
- 194.3 Concept.
- 194.4 Objectives and policies.
- 194.5 Responsibilities and procedures.
- 194.6 Security.
- 194.7 Reports required.
- 194.8 Effective date and implementation.

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§ 194.1 Purpose.

This part supplements the international logistics policies established in DoD Directive 5100.27, Delineation of International Logistic Responsibilities, December 29, 1964;¹ DoD Directive 5132.3 (28 FR 7611); DoD Instruction 2000.8, Cooperative Logistic Support Arrangements, February 14, 1964;¹ part 258 of this subchapter; DoD Instruction 2015.4, Mutual Weapons Development Data Exchange Program and Defense Development Exchange Program, November 5, 1963;¹ DoD Directive 2100.3, "U.S. Policy Relative to Commitments to Foreign Governments Under Foreign Assistance Programs, July 11, 1963.¹ Its purpose is to prescribe general policies and principles governing international co-production projects negotiated under agreements between the U.S. Government and eligible foreign governments, international organizations, foreign producers, or other approved agencies. Policy guidance pertaining to the general areas of the Military Assistance Program (MAP), Foreign Military Sales (FMS), and international Cooperative Logistics Support Arrangements (CLSA) is not affected by this part.

§ 194.2 Applicability and scope.

The provisions of this part are applicable to those offices responsible for

negotiation, implementation, monitorship and financial and management control of the co-production projects within OSD, DSA, and the Departments of the Army, Navy, and Air Force.

§ 194.3 Concept.

(a) The term *co-production* as used herein encompasses any program wherein the U.S. Government, under the aegis of an international diplomatic level or Ministry of Defense-to-Department of Defense agreement, either directly through the FMS program, or indirectly through specific licensing arrangements by designated commercial firms, enables an eligible foreign government, international organization or designated commercial producer to acquire the "know-how" to manufacture or assemble, repair, maintain and operate, in whole or in part, a specific weapon, communication or support system, or an individual military item. The "know-how" furnished may include research, development production data and/or manufacturing machinery or tools, raw or finished materiel, components or major subassemblies, managerial skills, procurement assistance or quality-control procedures. Third country sales limitations and licensing agreements are also included as required.

(b) Co-production may be limited to the assembly of a few end-items with a small input of local country parts, or it may extend to a major manufacturing effort requiring the build-up of capital industries.

§ 194.4 Objectives and policies.

(a) The major objectives to be attained through co-production projects are to:

(1) Enable eligible countries to improve military readiness through expansion of their technical and military support capability.

(2) Promote United States-Allied standardization of military materiel and equipment, which, in turn, would generate the establishment of uniform logistics support, procedures and expanded multinational operational capabilities.

(b) Co-production programs directly benefit the United States through:

¹Copies available from Naval Supply Depot, 5801 Tabor Avenue, Philadelphia, Pa. 19120, Attention: Code 300.